November 7, 2018

Via Email
Janet M. Audunson  
Niagara Mohawk Power Corporation d/b/a National Grid  
Paul A. Colbert  
Central Hudson Gas & Electric Corporation  
David Gahl  
Solar Energy Industries Association

Mark Marini  
New York State Electric & Gas Corporation and Rochester Gas & Electric Corporation  
Susan J. Vercheak  
Consolidated Edison Company of New York, Inc. and Orange & Rockland Utilities, Inc.

Re:  Case 15-E-0751 – Value of Distributed Energy Resources.
   Case 17-01277 – Value of Distributed Energy Resources Working Group Regarding Rate Design.

Dear Ms. Audunson, Mr. Colbert, Mr. Gahl, Mr. Marini, and Ms. Vercheak,

Thank you for submitting letters suggesting modified rate designs for further analysis as part of the Value of Distributed Energy Resources Rate Design Working Group. In this letter, Staff identifies the modified rate design proposals that the Joint Utilities and Staff’s consultant, Energy and Environmental Economics, Inc. (E3), will conduct analyses based on.

The Joint Utilities and E3 should conduct analyses on the following rate design proposals:

1. The “Seasonal 2-part TOU (version 1)” rate design as described in the letter submitted by the Solar Energy Industries Association on behalf of the Clean Energy Parties on October 19, 2018.
2. A “Phase-In” or “Partial” version of the “JU TOU Demand” rate design previously analyzed, with 50% of the revenue requirement, excluding revenue associated with
customer charges, recovered through the demand-based delivery rate and the remaining 50% collected through a flat per kWh delivery rate.

In addition, Staff has requested that E3 conduct other sensitivity analyses, including an analysis of impacts related to using a Value Stack-like methodology to calculate credits for hourly net injections rather than a netting methodology.

These analyses should be conducted as expeditiously as possible and the results publicly filed. Following the completion of these analyses, Staff expects to develop and file a draft rate design proposal for stakeholder review and comment, followed by final recommendations for consideration by the Public Service Commission on a Mass Market NEM Successor Rate. The public will have an opportunity to comment on that proposal consistent with the requirements of the State Administrative Procedure Act (SAPA) before consideration and action by the Public Service Commission.

Please feel free to contact Rate Design Working Group Chair Marco Padula or me with any questions.

Sincerely,
/s/
Ted Kelly
Assistant Counsel
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518-473-4953

CC: Honorable Kathleen H. Burgess, Secretary to the Public Service Commission
Marco Padula, Department of Public Service
Warren Myers, Department of Public Service
Kush Patel, E3
Kevin Steinberger, E3
Kevin Lucas, Solar Energy Industries Association
Stephen Wemple, Consolidated Edison Company of New York, Inc.
Kristen Barone, Orange & Rockland Utilities, Inc.
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Brian McNierney, New York State Electric & Gas Corporation and Rochester Gas & Electric Corporation